

EXCISE

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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: March 7, 1955

SUBJECT: US-Saudi Relations

PARTICIPANTS: Sheikh Asad Al-Faqih, Saudi Arabian Ambassador
NEA - Mr. Allen
NE - Mr. Fritzlar

COPIES TO: NEA, NE, Jidda, Dhahran

DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY *Rin* DATE *4/13/81*
PORTIONS DENIED AS INDICATED

The Saudi Arabian Ambassador called on a courtesy visit to congratulate Mr. Allen upon the assumption of his new duties and Mr. Allen took advantage of the opportunity to have a frank discussion on US-Saudi relations.

He believed, however, a frank exchange of views on a matter which has been of considerable concern to us would be helpful in view of Sheikh Asad's plans to return to Saudi Arabia in June.

Mr. Allen said he and his associates were greatly concerned over the recent development of US-Saudi relations. He had been very surprised and disquieted over recent bitter anti-US remarks attributed to Prince Faisal. He wondered what was at the root of Faisal's feeling. He supposed our policies in connection with Israel explained a certain amount of his animosity. However, as the Ambassador well knew, the US Government for the past two years had done its best to follow an impartial course on the question of Arab-Israel matters and had done a great deal to redress the balance. This had been recognized in most Arab states but there appeared to be little evidence this was understood in Saudi Arabia.

The Ambassador confirmed Mr. Allen's feeling that the question of Israel was at the root of Faisal's attitude and recalled Faisal's unhappy experiences in New York in 1947 at the time the UNGA voted partition of Palestine. As for the King's attitude, he had been disappointed at the lack of support.

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of support he had received from the U.S. Government when he came to the throne. Upon his father's death he had found the Treasury empty and widespread dissatisfaction over the way things had been managed. He needed money immediately to give the tribal leaders their customary grants and to initiate an economic development program. He appealed to us for help but was told that we might be able to assist in a matter of a loan for the construction of the Riyadh-Jidda railway. The King felt our response to be wholly inadequate considering the facilities Saudi Arabia had given us and the great friendship which we professed for each other. This and other matters, many of them petty questions, he felt accounted for the King's antagonism toward the U.S. He did not believe this attitude was basic or necessarily permanent and suggested that patience was necessary to allow the forces of reason to assert themselves in the highly emotional atmosphere of Saudi Arabia.

Mr. Allen agreed that patience was indicated in the circumstances and he hoped a measure of this would also be exercised in Saudi Arabia in regard to some of our own policies. On the question of economic aid to Saudi Arabia, we were entirely dependent upon Congressional appropriations which were often short of our expectations. Saudi Arabia is a country with enormous oil revenues, receiving approximately \$250 million a year. It was exceedingly difficult for us to justify economic assistance to Saudi Arabia in these circumstances at a time when other Arab countries such as Jordan and Egypt had economic problems of enormous magnitude to cope with and no income available to deal with them. It was disturbing to him that Saudi Arabia should place a dollar sign on its friendship for the U.S. We had accomplished much for the country and we could continue to help it on the road to progress. We desired Saudi Arabia's friendship and hoped that the Saudis would feel the same way toward us. Friendship, however, is a two-way street and cannot exist without reciprocity.

Sheikh Asad expressed general agreement and stated he was well aware that there was great wastage of money in Saudi Arabia. However, the King was reorganizing the government and considerable progress had already been achieved. The fact was that Saudi Arabia was greatly behind other countries in economic development. There was not one good road in Saudi Arabia whereas the development of other states such as Egypt was immeasurably advanced. For this reason, Saudi Arabia needed such technical and economic assistance as we were able to give. Nevertheless, he understood the problems we had with Congress on this matter. He himself was amazed that the King should have terminated Point IV activity which he felt wholly beneficial for Saudi Arabia even though the amount involved was relatively small.

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The Ambassador said, while he was not sure what his new duties might be, there had been some talk about his assuming the post of Deputy Foreign Minister. He had expressed the hope the King would not decide on his new duties until he could discuss matters with him. He felt he was in a position to be of real service to Saudi Arabia and, especially, to help restore its relations with the U.S. to a plane of cordiality and confidence. If he felt the opportunity existed to do this he would gladly assume this post.

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There was some discussion of the Turk-Iraqi pact and Mr. Allen was at great pains to explain the indigenous character of this development, pointing out that we were really surprised when Nuri and Menderes expressed their intention in January to conclude the pact. As Sheikh Asad knew, we favored such a development as in keeping with the "northern tier" concept but we did not expect it to happen as early as it did.

The Ambassador said the general feeling in the area was that we or at least the British were behind this development. Nuri was well-known for his pro-British proclivities and this might account for some of the strong feeling against it. Mr. Allen said he believed the British were as much surprised as we were over the development and he thought it would be a mistake to ascribe it to Nuri's pro-British attitude. Nuri had consulted with all previous Prime Ministers before adopting the policy and they had endorsed it. Sentiment in Iraq seems generally to be in favor of it. He did not see why our support for the "northern tier" development should be incompatible with our friendly relations with Saudi Arabia. The Ambassador agreed that the U.S. could be friendly both to Iraq and to Saudi Arabia at the same time.

Brief mention was made by Mr. Allen of the Onassis agreement and of our concern over this matter. Sheikh Asad expressed the hope that arbitration would proceed smoothly and yield a solution satisfactory to all concerned.

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